

OFFICE OF THE  
COMPTROLLER  
OF PUBLIC ACCOUNTS

HOUSING AUTHORITY OF BAYNE, LOUISIANA  
REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

TWELVE MONTHS ENDED SEPTEMBER 30, 1960

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the press and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

09/29/61

MIKE ESTES, P.C.  
A PROFESSIONAL ACCOUNTING CORPORATION

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HOUSING AUTHORITY OF RAYNE

SUMMARY OF AUDITOR'S RESULTS AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results

- A. We issued an unqualified opinion on the Housing Authority of Rayne, Louisiana for the audit of its combined financial statements for the year ended September 30, 2000.
- B. The combined financial statements are prepared on the Enterprise Method. See Auditor's Report and Note A.
- C. No reportable conditions in internal control were disclosed by our audit of the financial statements.
- D. The audit did not disclose any noncompliance which is material to the financial statements.
- E. No reportable conditions in internal control were disclosed by our audit over major programs.
- F. We issued an unqualified opinion on compliance for major programs.
- G. Our audit disclosed one audit finding that we are required to report under 510(a) of OMB Circular A-133.
- H. Major programs are as follows, and see Schedule of Federal Expenditures for CFDA numbers and amounts:
  - 1. Low Income Housing
  - 2. CIAP

**HOUSING AUTHORITY OF RAYNE**  
**SUMMARY OF AUDITOR'S RESULTS AND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

- I. The dollar threshold to distinguish Type A and Type B programs is \$300,000.
- J. The Housing Authority of Rayne, Louisiana did not qualify for the year ended September 30, 2000 as a low-risk auditee.

**Schedule of Findings and Questioned Costs**

- K. There are no findings in these financial statements that are required to be reported in accordance with GAGAS.
- L. There is one audit finding but no questioned costs for Federal awards which shall include audit findings as described in 510a of OMB Circular A-133.

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MIKE ESTES, CHAIRMAN, CFP

## **Independent Auditor's Report**

**Board of Commissioners**  
**Housing Authority of Rayne**  
**Rayne, Louisiana**

**Regional Inspector General for Audit**  
**Office of Inspector General**  
**Department of Housing and Urban**  
**Development**

We have audited the accompanying general-purpose combined financial statements of the Housing Authority of Rayne, Louisiana at and for the year ended September 30, 2000, as listed in the table of contents. These general-purpose combined financial statements are the responsibility of the Housing Authority of Rayne, Louisiana's management. Our responsibility is to express an opinion on these general-purpose combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose combined financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Rayne, Louisiana as of September 30, 2000, the results of its operations, changes in its total net assets and statement of cash flows for the year then ended, in conformity with generally accepted accounting principles.

As described in Note A to the financial statements, the PHA changed from the Governmental Funds to the Enterprise Funds method for the year ended September 30, 1999.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 2001 on our consideration of Housing Authority of Rayne's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part on an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined general-purpose financial statements of the Housing Authority of Rayne, Louisiana taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, Financial Data Schedule and other supplementary schedules are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information had been subjected to the auditing procedures applied in the audit of the combined general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the PHA, and for filing with the Department of HUD and should not be used for any other purpose.

*Mike Estes, P.C.*

Fort Worth, Texas  
January 19, 2001

## EXHIBIT A

HOUSING AUTHORITY OF RAYNE  
 COMBINED STATEMENT OF NET ASSETS - ENTERPRISE FUND  
 SEPTEMBER 30, 2000

LA - 028

**Assets****Current assets**

Cash - Note B	\$ 322,175
Accounts receivable - tenants, net of allowance for bad debts, \$2,494	385
Interest receivable	5,083
Inventories	9,490
Prepaid insurance	23,635
<b>Total current assets</b>	<u>363,778</u>

**Fixed Assets**

Land	256,928
Buildings	4,714,762
Furniture, equipment & machinery	300,850
	<u>7,272,540</u>

Less: Accumulated depreciation	5,163,582
<b>Net fixed assets</b>	<u>2,140,948</u>

<b>Total assets</b>	<u>\$ 2,512,826</u>
---------------------	---------------------

The Notes to Financial Statements are an integral part of these statements.

## EXHIBIT A

HOUSING AUTHORITY OF RAYNE  
COMBINED STATEMENT OF NET ASSETS - ENTERPRISE FUND  
SEPTEMBER 30, 2000

LA-028

**Liabilities****Current liabilities**

Tenant's security deposits	\$	10,000
Accounts payable - trade		6,388
Accrued wages, compensated absences		30,382
Payroll taxes payable		881
Accrued Pilot		30,184
<b>Total current liabilities</b>		<u>67,635</u>

**Net Assets**

Retained earnings		<u>273,140</u>
Contributed capital		<u>2,161,748</u>
<b>Total Net Assets - Exhibit B</b>		<u>2,434,888</u>
<b>Total Liabilities and Net Assets</b>	\$	<u>2,512,523</u>

The Notes to Financial Statements are an integral part of these statements.



HOUSING AUTHORITY OF RAYNE  
COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS - ENTERPRISE FUND  
YEAR ENDED SEPTEMBER 30, 2000

LA - 028

<b>Revenues</b>	
Tenant revenue	\$ 409,359
HUD subsidy - Low Rent	86,591
HUD CMAP operations grant	364,833
Interest income	23,293
Other revenue	8,629
<b>Total Operating Revenue</b>	<u>912,804</u>
<b>Operating expenses</b>	
Administrative	177,696
Utilities	111,978
Maintenance	154,975
General expense	90,176
Extraordinary maintenance	38,778
<b>Total operating expenses</b>	<u>562,703</u>
Depreciation	<u>291,761</u>
<b>Total expenses</b>	<u>754,464</u>
<b>Net operating (loss)</b>	<u>148,340</u>
Retained earnings, 9/30/99	124,800
<b>Retained earnings, 9/30/00</b>	<u>\$ 273,140</u>
Contributed capital, 9/30/99	2,151,748
Current year contributions	<u>0</u>
Contributed capital, 9/30/00	<u>2,151,748</u>
<b>Total Net Assets, 9/30/00 - Exhibit A</b>	<u>\$ 2,424,888</u>

The Notes to Financial Statements are an integral part of these statements.

## EXHIBIT C

HOUSING AUTHORITY OF RAYNE  
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUND  
 YEAR ENDED SEPTEMBER 30, 2000

LA. 628

## Cash flows from operating activities:

Tenant revenue	\$ 429,368
Operating subsidies	451,224
Other operating revenue	8,826
Operating expenses	<u>(582,708)</u>
<b>Net cash (used) in operating activities</b>	<u>366,690</u>

## Cash flows from capital and related financing activities

Equipment and GAF additions	<u>(318,857)</u>
<b>Net cash provided (required) by capital and financing activities</b>	<u>(318,857)</u>

## Cash flows from investing activities

Interest income	<u>23,293</u>
<b>Net cash provided (used) from investing activities</b>	<u>\$ 23,293</u>

The Notes to Financial Statements are an integral part of these statements.

## EXHIBIT C

HOUSING AUTHORITY OF RAYNE  
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUND (continued)  
 YEAR ENDED SEPTEMBER 30, 2000

LA-000

*Adjustments*

Changes in current assets and liabilities	
Decrease in accounts receivable - other	\$ 824
Increase in inventories	(2,241)
Increase in prepaid insurance	(3,364)
Increase in interest receivable	(9,883)
Increase in security deposits	100
Increase in accounts payable - other	553
Increase in compensated absences	2,731
Increase in payroll taxes payable	604
Increase in accrued pilot	3,278
<b>Total adjustments</b>	<u>(5,548)</u>
Change in cash and equivalents	25,990
Cash and equivalents beginning of year	<u>256,579</u>
Cash and equivalents end of year - Exhibit A	<u>\$ 322,175</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF WAYNE  
COMPARISON OF ACTUAL HUD REVENUE AND  
EXPENSES TO HUD BUDGETED  
YEAR ENDED SEPTEMBER 30, 2000

## LA-028

	HUD Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Tenant revenue	\$ 399,270	\$ 429,366	\$ 30,096
HUD subsidy - Low Rent	88,591	88,591	0
HUD C&P operations grant	364,633	364,633	0
Interest income	13,190	23,293	10,103
Other revenue	12,690	8,908	(3,682)
Total operating revenue	<u>878,374</u>	<u>914,804</u>	<u>36,430</u>
<b>Operating expenses</b>			
Administration	175,690	177,696	1,906
Utilities	139,160	111,076	(28,082)
Maintenance	156,269	154,975	(1,294)
General expense	76,721	90,176	13,455
Depreciation	0	201,761	201,761
Extraordinary maintenance	38,780	38,770	(10)
Total operating expenses	<u>\$ 579,840</u>	<u>\$ 764,464</u>	<u>\$ 187,624</u>
Excess (deficient) revenues	299,734	148,340	(151,394)
<b>Add:</b>			
Depreciation - not budgeted by HUD	0	201,761	201,761
<b>Deduct:</b>			
Capital expenditures - budgeted by HUD	<u>323,290</u>	<u>0</u>	<u>323,290</u>
Excess (deficiency) of budgeted revenues over expenses	<u>\$ (23,556)</u>	<u>\$ 399,101</u>	<u>\$ 375,657</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF RAYNE  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND CHANGE OF ACCOUNTING PRINCIPLE**

The Housing Authority of Rayne, Louisiana (the Authority), a public corporate body, was organized for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of the City of Rayne, Louisiana. Each member serves a five-year term on a rotating basis. Substantially all of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities and housing assistance payments for eligible individuals.

**(A) Financial Reporting Entity**

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of September 30, 2000, and for the fiscal year then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial

HOUSING AUTHORITY OF RAYNE  
NOTES TO FINANCIAL STATEMENTS  
(continued)  
SEPTEMBER 30, 1999

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND CHANGE OF ACCOUNTING PRINCIPLE (continued)**

**(2) Change in Accounting Principle**

For the year ended September 30, 1999, the PHA changed from the Government Funds Method to the Enterprise Method. This change was strongly recommended by the Real Estate Assessment Center (REAC) of The Department of Housing and Urban Development.

The Enterprise Funds Method accounts for operations in a manner similar to a private business. Under this method, all assets, including fixed assets, and all liabilities are in one fund, and one financial statement.

The Enterprise Fund recognizes revenues and expenses on the full accrual basis. Revenues are recognized when earned and become measurable. Expenses are recognized in the period incurred, if measurable. In the prior method used, the Governmental Funds Method, the modified accrual method was necessary.

Depreciation expense must be recognized for the Enterprise Fund. Under the Governmental Funds Method, depreciation was optional and the PHA elected not to recognize it.

The PHA applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1999, unless those pronouncements conflict with or contradict GASB pronouncements.

At September 30, 1999 soft costs from development and modernization were deleted from fixed assets and charged to HUD Capital Contributions.

HOUSING AUTHORITY OF MAYNE  
NOTES TO FINANCIAL STATEMENTS  
(continued)  
SEPTEMBER 30, 2000

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND CHANGE OF ACCOUNTING PRINCIPLE (continued)**

**(3) Budgetary Data**

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program. Annual budgets are not required for CMAP grants as their budgets are approved for the length of the project.

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures. Budgeted amounts are as originally adopted or as amended by the Board.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables, or depreciation. The budget does reflect furniture and equipment additions from operations.

**(4) Cash and Cash Equivalents**

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

HOUSING AUTHORITY OF RAYNE

NOTES TO FINANCIAL STATEMENTS  
(continued)  
SEPTEMBER 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND CHANGE OF  
ACCOUNTING PRINCIPLE (continued)

(2) Tenant Receivables

Receivables for rentals and service charges are reported in the General Fund, net of allowances for doubtful accounts.

NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 2000. The categories are described as follows:

- |              |  |
|--------------|--|
| Category 1 - | Insured or collateralized with securities held by the entity or by its agent in the entity's name.   |
| Category 2 - | Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.  |
| Category 3 - | Uncollateralized, uninsured and unregistered, but with securities held by the bank, its trust department, or its agent, pledged to the PHA, but not in the PHA's name. |



# HOUSING AUTHORITY OF RAYNE

## NOTES TO FINANCIAL STATEMENTS (continued) SEPTEMBER 30, 2000

### NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS (continued)

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total Bank Balance	Category		
	1	2	3
\$ 322,175	\$ 322,175	\$	\$

### NOTE C - ACTIVITIES OF THE PHA

As September 30, 2000, the PHA was managing 200 units of low-rent in six projects under Program PW - 500.

### NOTE D - CONTINGENCIES

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantees and/or program beneficiaries.

## HOUSING AUTHORITY OF RAYNE

NOTES TO FINANCIAL STATEMENTS  
(continued)  
SEPTEMBER 30, 2000

## NOTE E - FIXED ASSETS

As noted in Note A, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	15 Years
Buildings	30 Years
Buildings improvements	15 Years
Nonresidential structures	15 Years
Equipment	3 to 7 Years

	09/30/00	09/30/99	09/30/99	09/30/99
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>
Land	\$ 266,828			
Buildings and improvements	6,714,762	4,786,561	185,838	4,604,480
Equipment	306,860	189,278	35,922	295,192
	<u>\$ 7,318,440</u>	<u>4,987,831</u>	<u>221,761</u>	<u>5,189,562</u>

The capitalization limit is \$200.00

All land and buildings are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

## NOTE F - RETIREMENT PLAN

The entity provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six months exclusory period. The employee contributes 5 % and the entity contributes 8.5 % of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 20 % annually for each year of participation. An employee is fully vested after 5 years of participation.

Contributions to the plan were \$ 18,866 and \$ 15,420 by the employee and the entity, respectively.

HOUSING AUTHORITY OF RAYNE  
NOTES TO FINANCIAL STATEMENTS  
(continued)  
SEPTEMBER 30, 2000

**NOTE G - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

**Cash and Investments**

The carrying amount approximates fair value because of the short maturity of these instruments.

**NOTE H - ACCOUNTING FOR THE IMPAIRMENT OF LONG - LIVED ASSETS**

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

**NOTE I - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE J - COMPENSATED ABSENCES**

Employees earn annual leave based upon years of service, and may accrue up to 300 hours. Sick time is earned but not accrued since it is dependent upon a future event. Upon termination all accrued vacation time is paid. At September 30, 2000 the PHA had a liability of \$38,395. Of the aforementioned amount, \$35,664 pertained to the prior year. Only the \$2,731 increase is recognized as a current year expense in these financial statements.

## SUPPLEMENTARY INFORMATION

## HOUSING AUTHORITY OF RAYNE

## STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST

## ANNUAL CONTRIBUTION CONTRACT

LAL029

## 1. The Actual Modernization Costs are as follows:

Funds Approved	\$ 364,633
Funds Expended	<u>364,633</u>
Excess of Funds Approved	<u>0</u>
 Funds Advanced	 \$ 364,633
Funds Expended	<u>364,633</u>
Excess of Funds Advanced	<u>0</u>

## 2. The distribution of costs by project as shown on the Final Statement of Modernization Cost dated October 25, 1999 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.

## 3. All modernization costs have been paid and all related liabilities have been discharged through payment.

The Notes to Financial Statements are an integral part of these statements.

## HOUSING AUTHORITY OF RAYNE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2000

FEDERAL GRANTOR PROGRAM TITLE	CFDA NO.	PROGRAM EXPENDITURES
U.S. Department of Housing and Urban Development		
Direct Programs:		
Low-Income Housing		
Operating Subsidy	14.850	<u>89,581</u>
Major Program Total		<u>89,581</u>
Comprehensive	14.852	
Improvement		
Assistance Program		<u>304,633</u>
Major Program Total		<u>304,633</u>
Total HUD		<u>\$ 491,224</u>

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MIKE ESTER, CHARTERED, CPA

**Report on Compliance with Requirements Applicable to Each**  
**Major Program and Internal Control Over Compliance in**  
**Accordance with OMB Circular A-133**

Housing Authority of Rayne  
Rayne, Louisiana

We have audited the compliance of the Housing Authority of Rayne, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2000. The Housing Authority of Rayne, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of Rayne, Louisiana's Management. Our responsibility is to express an opinion on the Housing Authority of Rayne, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Rayne, Louisiana's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of Rayne, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of Rayne, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2000. We noted one instance of noncompliance. It is the one audit finding.

#### Internal Control Over Compliance

The management of The Housing Authority of Rayne, Louisiana is responsible for establishing and maintaining internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of Rayne, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Mike Estes, P.C.*

Fort Worth, Texas

January 19, 2001

The Notes to Financial Statements are an integral part of these statements.



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**Report on Compliance and on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed in  
Accordance with Governmental Auditing Standards**

Housing Authority of Rayne  
Rayne, Louisiana

We have audited the financial statements of the Housing Authority of Rayne, Louisiana as of and for the year ended September 30, 2009, and have issued our report thereon dated January 19, 2011. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide.

**Compliance**

As part of obtaining reasonable assurance about whether the Housing Authority of Rayne, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing a opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*, or the Louisiana Governmental Audit Guide.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of Rayne, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is a matter of public record and its distribution is not limited.

*Mike Estes, P. C.*

Fort Worth, Texas  
January 19, 2001

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF WAYNE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2000

Prior Audit Findings and Questioned Costs

There were no prior audit findings.

Current Audit Findings

Performance Funding Subsidy (PFS) Miscalculation

On HUD - 53753, Calculation of Performance Funding System Operation Subsidy, Line 13, number of occupied units as of rent roll date, the PHA shows 200. Since 3 policemen lived in the PHA at \$300.00 or less that an income-based rent, line 13 should show 197 (policemen or employee occupied units with rents less than income based are excluded from the calculation).

Recommendation

The PHA needs to correctly compute line 13 in the future. This directly affects the amount of HUD subsidy.

Reply

We will comply with the above.

HOUSING AUTHORITY OF RAYNE  
SCHEDULE OF AUDIT JOURNAL ENTRIES  
YEAR ENDED SEPTEMBER 30, 2000

LA-528

	ACCT. # FOR AUDIT PURPOSES	DR	CR	ACCT. # FOR POSTING TO PHA BOOKS
«1» Audit Adjustment Passed for audit PHA needs to post currently				
Auto equipment	N/A		30,912.16	1404.1477
Accumulated deprecation	N/A	30,912.16		1544.1477

To delete off two almost worn-out pickups donated to the  
City of Rayne in February 2000, per Board Resolution.

LA/018 08/30/2008

Line #	Account Description	Low-Middle Housing	Public Housing, Comprehensive Supplemental Assistance Program	Total
971	Land - Development	\$7,071.00		\$7,071.00
972	Land - Public Property Purchase	\$0.00		\$0.00
999	Total Land	\$7,071.00		\$7,071.00
973	Assisted Residence - Tenants - Dwelling Units	\$0.00		\$0.00
974	Assisted for Resident Materials - Dwelling Units	\$0.00		\$0.00
975	Assisted for Resident Materials - Other	\$0.00		\$0.00
976	Assisted for Resident Materials	\$0.00		\$0.00
977	Total Materials - Construction for Assisted Units	\$0.00		\$0.00
980	Project General and Other Assets	\$0.00		\$0.00
981	Materials	\$0.00		\$0.00
982	Assisted for Resident Materials	\$0.00		\$0.00
999	Total Project Assets	\$0.00		\$0.00
983	Land	\$0.00		\$0.00
984	Buildings	\$0.00		\$0.00
985	Public Housing - Mainway - Dwelling	\$0.00		\$0.00
986	Public Housing - Mainway - Administration	\$0.00		\$0.00
987	Public Housing - Mainway	\$0.00		\$0.00
988	Assisted for Dwelling	\$0.00		\$0.00
989	Assisted for Dwelling	\$0.00		\$0.00
990	Assisted for Dwelling	\$0.00		\$0.00
991	Total Public Housing - Mainway - Administration	\$0.00		\$0.00
992	Total Public Housing - Mainway - Administration	\$0.00		\$0.00
993	Total Public Housing - Mainway - Administration	\$0.00		\$0.00
994	Total Public Housing - Mainway - Administration	\$0.00		\$0.00
995	Total Public Housing - Mainway - Administration	\$0.00		\$0.00
996	Total Public Housing - Mainway - Administration	\$0.00		\$0.00
997	Total Public Housing - Mainway - Administration	\$0.00		\$0.00
998	Total Public Housing - Mainway - Administration	\$0.00		\$0.00
999	Total Public Housing - Mainway - Administration	\$0.00		\$0.00

LA/018 08/30/2008

Line #	Account Description	Low-Middle Housing	Public Housing, Comprehensive Supplemental Assistance Program	Total
971	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
972	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
973	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
974	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
975	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
976	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
977	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
978	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
979	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
980	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
981	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
982	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
983	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
984	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
985	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
986	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
987	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
988	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
989	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
990	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
991	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
992	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
993	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
994	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
995	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
996	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
997	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
998	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00
999	Assisted for Dwelling - Mainway - Dwelling	\$0.00		\$0.00

LABOR 05/16/2000

Line Item #	Account Description	Use Fund Public Housing	Public Housing - Comprehensive Supplement Assistance Program	Total
000	Net General Fund Allocation	1048,140		1048,140
001	Supplies/Supplies - 100%	180,870		180,870
002	Net General Fund Allocation	868,270		868,270
003	ACORN Data Update	500,000	294,400,000,000	294,900,000,000
004	Southwest Airlines - Jacksonville	121,280		121,280
005	Other Housing	29,000		29,000
006	Transportation for Staff of Public Housing	57,790		57,790
007	Total Revenue	1048,140	294,400,000,000	
008	Administrative Services	1,000,000		1,000,000
009	Building Fees	17,500		17,500
010	Employee Benefit Contributions - Administration	440,710		440,710
011	Other Operating - Administration	500,000		500,000
012	Rent	10,710		10,710
013	Electricity	475,000		475,000
014	Gas	10,000		10,000
015	Other Utility Expenses	100,000		100,000
016	Delivery Maintenance and Operations - 100%	100,000		100,000
017	Delivery Maintenance and Operations - Maintenance 100-100%	100,000		100,000
018	Delivery Maintenance and Operations - Capital Costs	100,000		100,000
019	Employee Benefit Contributions - Delivery Maintenance	100,000		100,000

LABOR 09/16/2000

Line Item #	Account Description	Use Fund Public Housing	Public Housing - Comprehensive Supplement Assistance Program	Total
000	Supplies/Supplies	100,000		100,000
001	Transportation for Staff of Public Housing	100,000		100,000
002	Supplies/Supplies - 100%	100,000		100,000
003	Total Operating Expenses	300,000		300,000

000	General Operations, Personnel and Operating Expenses	\$14,248	\$184,400	\$198,648
001	Personnel Expenses	\$10,176	\$0	\$10,176
002	Supplies Expense	\$1,871,400	\$0	\$1,871,400
003	Other Expenses	\$2,000,000	\$184,400	\$2,184,400
004	Operating Transfers In	\$184,400	\$0	\$184,400
005	Operating Transfers Out	\$0	\$184,400	\$184,400
006	Other than Operating Transfers (Total)	\$184,400	\$184,400	\$0
000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$184,400	\$184,400	\$0

LA 828 09/18/2000

Line Item #	Account Description	General Fund - Project	Public Housing - Comprehensive Supplemental Assistance Program	Total
000	Self-Paid Personal Payroll - Employee Payroll	\$0	\$0	\$0
001	Operating Funds	\$1,000,000	\$184,400	\$1,184,400
002	Supplemental Assistance	\$184,400	\$184,400	\$368,800
003	Self-Paid Payroll	\$0	\$0	\$0
004	Transfer of Cash (LA 828)	\$0	\$0	\$0